NEW LANARK TRUST

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2026

CHARITY NUMBER SC008552

WHITELAW WELLS
Chartered Accountants

NEW LANARK TRUST

TRUSTEES' REPORT

For the year ended 31 January 2026

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NEW LANARK TRUST

TRUSTEES' REPORT

For the year ended 31 January 2026

The Trustees present their annual report for the year ended 31 January 2026.

New Lanark is an authentic and enduring historic community. The intellectual tradition it preserves and celebrates remains of global contemporary relevance and interest. The site is one of the most important industrial heritage sites in the world and has significance for all who are interested in co-operation, utopianism and industrialisation. This historic legacy provides a powerful opportunity for education and learning. New Lanark retains relevance not just because of its intellectual roots, and historic fabric, but also because of its evolving nature as a living place where those values are upheld.

OBJECTIVES AND ACTIVITIES

The main objective of the Trust is to achieve the restoration, preservation, interpretation and presentation, for public use and access, of the historic, UNESCO inscribed World Heritage village of New Lanark of which the Trust is a major owner of land and buildings.

The Trust seeks to be innovative, progressive and pioneering in the use of historic buildings, in community co-operation and development. New Lanark offers private housing for rent, as well as business accommodation. It is committed to maintaining the site as a living, working community.

The Trust seeks to achieve the core objective by:

- maintaining the vitality of the village by ensuring that all buildings are occupied and put to appropriate use, including the residential accommodation in the village;
- engaging in appropriate commercial activity to generate income to support the core objective; and
- raising funds from outside sources to enable major restoration and preservation works to be undertaken and to supplement income earned from commercial activities

Operating directly and through one subsidiary, the Trust operates a hotel and leisure facility, self-catering Waterhouses, visitor centre, café, two retail shops, generation of hydro-electric power and the letting of premises to commercial and residential tenants.

The contribution of volunteers is essential to the Trust, providing support in the Search Room and stewarding at events and exhibitions. Their generous commitment of time is appreciated and acknowledged, and the Trust has a continuing commitment to the recruitment and induction of volunteers.

The Trust acts in consultation and cooperation with a number of partners in relation to the management of the World Heritage site: South Lanarkshire Council, Historic Environment Scotland, Scottish Wildlife Trust, and with major capital funders including the Heritage Lottery Fund. The support of all of these bodies is acknowledged.

NEW LANARK TRUST

TRUSTEES' REPORT

For the year ended 31 January 2026

ACHIEVEMENTS AND PERFORMANCE

Commercial Activities. The Trust's subsidiary continued to run New Lanark's commercial activities during 2025/26, providing substantial employment opportunities for local people and generating funds to be reinvested in the restoration and on-going maintenance of the historic buildings and woodlands. Wherever possible the Trust and its subsidiary work with local suppliers to help sustain the local economy.

The Trust remains significantly dependent upon support from public bodies with Historic Environment Scotland and the National Heritage Memorial Fund being the largest contributors in the year 2025/26.

Grant funded projects. The National Heritage Memorial Fund awarded a grant for building maintenance of £2.4m during the year to January 2024. The works associated with this grant began in March 2024 and were ongoing for the whole of the year 2025/26 and is expected to be completed in July 2026.

Historic Environment Scotland (HES) awarded £20k towards our Learning and outreach Programme in the current year.

These grants help New Lanark leave a legacy of the long aspired to improvements to the historic buildings and public realm.

Included in the group are four subsidiary entities:

<u>New Lanark Trading Ltd</u>
The company's activities in the year under review comprised all of the commercial activities in the group, namely; the operation of a visitor attraction, comprising the Visitor Centre, cafe, retail shop, the generation of hydroelectricity and, with effect from 1 February 2024, the management of the hotel.

The hotel has 38 bedrooms, eight self-catering Waterhouses and a leisure facility.

The company was granted charitable status on 1 February 2021.

<u>New Lanark Hotels Ltd</u>
In the autumn of 2023 the directors of Hotels Ltd took the decision to simplify the structure of New Lanark group and cease the activities of the company. The company's licence to occupy the hotel was terminated by the Trust with effect from 31 January 2024. At this date New Lanark Trading's directors agreed to acquire certain assets and liabilities of Hotels Ltd. A liquidator was appointed to the company on 12 April 2024 to wind up the company.

<u>New Lanark Homes Ltd</u>
This company managed the residential tenancies of the 45 domestic properties owned by the Trust. It's management function ceased on 1 June 2021 when this function was taken on by the Trust.

New Lanark Homes Ltd is dormant.

The Trust continues to work with all parties interested in the wellbeing of New Lanark. Friends of New Lanark, a registered charity, continues to assist and promote the work of New Lanark Trust.

New Lanark Village Group is also a registered charity and acts as a community group for the residents of the village of New Lanark. The Group raises funds and organises social events for the resident community.

ACHIEVEMENTS AND PERFORMANCE (continued)

Snow Newco Ltd
On 10 April 2024, this company was incorporated. The company did not trade and was dissolved post year end on 28 July 2026.

FINANCIAL REVIEW

The Trust is supported by income from its commercial tenants and its trading subsidiaries. Currently these funds are augmented annually with grant income.

The group recorded net expenditure for the year amounting to £99,903 (2025: net expenditure of £363,407). After transfers, there was net income of £82,022 (2025: net expenditure of £304,841) on unrestricted funds and net expenditure of £181,925 (2025: net expenditure of £58,566) relating to restricted projects. This excludes capital expenditure, which amounted to £42,778 (2025: £Nil) in the year.

Reserves Policy
Total reserves of the group at the year end were £18,849,974 (2025: £18,949,877). The unrestricted reserves of the group amount to £18,099,207 (2025: £18,017,185). The restricted reserves of the group amount to £750,767 (2025: £932,692). As at the year end the group had a deficit on General Funds £1,525,094. The policy of the group is to hold £600,000 in a general reserve as contingency funds. The trustees acknowledge that the trading results have been significantly adversely affected by the Covid pandemic and the slow recovery from this. As has been widely publicised, the tourism and hospitality sectors have been especially badly affected through this period. As a result of these circumstances the Trust has not been in a position to adhere to the policy whereby a general reserve of £600,000 is held as a contingent sum. The trustees are aware that it is desirable to hold such a reserve and will endeavour to return to this position once the trading environment has improved sufficiently.

The Trust has designated reserves of £19,624,301 (2025: £19,625,214), with £19,536,801 (2025: £19,537,714) representing the net book value of fixed assets held by the Trust that are not freely available to be used as working capital.

Investment Policy
The Trust operates a Treasury Management Policy to maximise interest, on low risk investments, on the Trust's funds and to monitor risk and investment in relation to liquid funds.

Risk Management
A comprehensive Risk Register, covering all aspects of New Lanark's activities, is maintained, and regularly reviewed by the Board of Trustees. Trustees seek to assess the likelihood of any adverse event and control, with close management control and forward planning, any impact that might have on the ability of the Trust to carry out its aims and objectives. In association with the Risk Register process, policies and procedures are in place covering health and safety / fire / risk assessments and Business Continuity Plans, all of which are reviewed and regularly updated.

The Trustees and senior management consider that the key risks and uncertainties are:-

Risk Description – Financial
Uncertainty of Capital Programme Possibility due to fall in reserves and/or failure to obtain grant funding
Strategy to manage Risk 1. Strengthening fundraising capacity through existing team and contacts with existing and potential partners. 2. Maintenance activities to be prioritised by senior management team to manage risk and stay with financial constraints in short -term.

Risk Description – Building / Structural
Fire risk to Mills 1, 2 and 3
Strategy to manage Risk 1. Installation of fire suppression systems in the hotel kitchen and sauna were completed in the year. 2. Continued staff training and evacuation drills. 3. Update Fire Risk Assessments for the three mills

Risk Description – Building / Structural
Structural issues with Church Building including retaining wall & access
Strategy to manage Risk 1. Regular inspection of the building by staff and architect to maintain the building as watertight. 2. No public access to the building or surrounding area. Gates kept padlocked and regularly checked. 3. Structural repair options to be considered and funding routes are being explored.

Risk Description – Financial
Continued financial & commercial viability Possible loss of subsidy / insolvency / loss of revenue / fall in visitor numbers
Strategy to manage Risk 1. Upgrade/update the existing visitor attraction to meet expectations of visitors accustomed to a 'modern' presentation of historic sites. 2. Continue to explore new avenues of marketing for the sites. 3. Working with partner organisations to promote the site. 4. Raise capital to fund business expansion, specifically, to extend the hotel room capacity.

PLANS FOR FUTURE PERIODS

Extensive ongoing capital expenditure is required for both building maintenance and refurbishment.

In February 2026 HES awarded a grant to "underscore our ongoing support for the stewardship and management of this internationally significant landmark" and this is to fund the position of World Heritage Coordinator".

In March 2026 HES awarded a grant for a three year period from the year commencing 1 April 2026. This grant is for Conservation & Maintenance and Learning & Outreach. The grants are for £448k, £461k and £477k.These awards will have a materially mitigating effect on some of the risks highlighted in this report.

Work to expand the hotel's room capacity is scheduled to commence in the final quarter of 2026. Building warrant and listed building consent have been granted and the hotel bedroom capacity will increase from 38 to 56. It is anticipated that this will have a positive impact not only on the hotel's performance but will also increase general footfall to the site and benefit the cafe, retail shop and visitor attraction..

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Organisational Structure

New Lanark Trust is an unincorporated charity, governed by Trust Deed, registered as a charity by the Office of the Scottish Charity Regulator. The Trust is administered by a Board of Trustees, who make the strategic decisions that shape the direction of the Trust, and all of whom give their support to the Trust on a voluntary basis. The Trustees appoint the Chief Executive and other Senior Management staff, who are responsible for the day-to-day running of the Trust.

During 2025/26 regular Trustee board meetings were held.

Recruitment, Appointment, Training and Induction of Trustees/Senior Management staff

Trustee vacancies are filled in accordance with the Trust Deed and its Recruitment Policy and appropriate induction for new Trustees is also carried out.

Pay and Remuneration of Key Personnel

Senior and Operational Management staff are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases across all pay scales. New Lanark Trust operates a Defined Contribution pension scheme, open to employees over 25 years of age after three years' service. For most eligible staff the employee's contribution is matched by the employer up to a maximum of 5%. Otherwise, the Auto-Enrolment schemes are available to all employees in line with statutory requirements.

Related Parties

The Trust continues to work closely with all parties interested in the wellbeing of New Lanark. Friends of New Lanark, a registered charity, continues to assist and promote the work of New Lanark Trust.

New Lanark Village Group is also a registered charity and acts as a community group for the residents of the village of New Lanark. As well as raising funds and organising social events for the resident community, the Village Group acts as the contact point for discussion of Trust restoration works and activities, in general, enabling the village residents to be consulted about village developments.

NEW LANARK TRUST

TRUSTEES' REPORT

For the year ended 31 January 2026

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

J Pow	Chair
J Russell	Resigned 14/10/2025
E McCall	Resigned 07/11/2025
K Pattulo	
C Ford	Vice Chair
R Lockhart	Appointed 23/05/2025
J Morris	Appointed 23/05/2025 & Resigned 01/07/2025
D Cockburn	Appointed 23/05/2025
H Kendrick	Appointed 23/05/2025
A Smith	Appointed 23/05/2025
R Duffy	Appointed 23/05/2025

Key Management Personnel

Iain Mackenzie	Chief Executive
James Tennant	Head of Estates
Angela Hunter	Head of Finance (Left June 2025)
Susan Gillespie	Finance Manager
Kate Lapping	Head of Heritage
John Stirrat	Head of Operations
Andrew Park	Ice Cream Production Manager
Clare Healy	Commercial Manager – Retail & Textiles
Robynne McFetridge	Café Manager – Mill Café and Event Catering within Visitor Attraction
Richard Surgenor	Food & Beverage Manager

Registered Office and Operational Address
Mill Number Three
New Lanark Mills, Lanark, ML11 9DB

Charity Number
SC008552

Independent Auditor
Whitelaw Wells
Statutory Auditor
9 Ainslie Place, Edinburgh, EH3 6AT

Bankers
Santander UK Plc
Bridle Road
Bootle, Merseyside, L30 4GB

Solicitors
DWF LLP
2 Lochrin Square
96 Fountainbridge, Edinburgh, EH3 9QA

NEW LANARK TRUST

TRUSTEES' REPORT

For the year ended 31 January 2026

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust at the end of the year and of their financial activities during the year then ended. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Trust and which enable them to ensure that the financial statements comply with The Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Constitution of the Trust. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps he ought to have taken as a Trustee in order to make themself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trustees on 27 October 2026 and signed on their behalf by:



Mr J Pow, Chairman

NEW LANARK TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

For the year ended 31 January 2026

Qualified Opinion

We have audited the consolidated financial statements of New Lanark Trust group (the 'charitable group') for the year ended 31 January 2026, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 January 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for Qualified Opinion

On 12th April 2024 New Lanark Hotels Limited, a subsidiary undertaking of which New Lanark Trust has a 100% holding, was placed in liquidation. The accounting records of New Lanark Hotels Limited were prepared to 31 January 2025, and included in the consolidated accounts, however we were unable to obtain sufficient access to the underlying records or supporting documentation thereof. We were unable to satisfy ourselves by alternative means concerning the accounting records of the New Lanark Hotels Limited by using other audit procedures. Consequently, we were unable to determine whether any adjustments to the figures relating to New Lanark Hotels Limited included in the consolidated profit and loss account or balance sheet was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to notes 1(a) and 23 in the financial statements concerning the charity's, and the groups', ability to continue as a going concern. As at the year end the charity had a surplus on General Fund of £233,239; the group a deficit of £1,525,094 and the group had net current liabilities of £1,202,419. These conditions indicate the existence of a significant material uncertainty which casts doubt about the charity's, and the group's, ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; detailed testing was carried out on income, expenditure and all balance sheet items in line with our testing plan and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried out income and expenditure testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

NEW LANARK TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

For the year ended 31 January 2026

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

27 October 2026

NEW LANARK TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 January 2026

	Note	Unrestricted funds £	Restricted funds £	2026 Total £	2025 Total £
Income and endowments from:					
Donations and legacies					
Donations	4	5,734	-	5,734	9,125
Income from charitable activities					
Donations - gift aided admissions		-	-	-	4,507
Operation of a visitors centre		1,541,526	-	1,541,526	1,613,952
Grants receivable - revenue	4	-	843,108	843,108	687,715
Rents receivable		229,494	-	229,494	211,184
Other income from charitable activities		8,369	-	8,369	-
Income from other trading activities					
Primary purpose trading operations		2,754,237	-	2,754,237	2,652,521
Recharged expenses		143,141	-	143,141	95,725
Investments					
Bank interest receivable		-	-	-	394
Total income		4,682,501	843,108	5,525,609	5,275,123
Expenditure on:					
Raising funds	5	2,160,345	-	2,160,345	2,100,794
Charitable activities	5	2,454,460	1,025,033	3,479,493	3,600,927
Intercompany loan write back		(14,326)	-	(14,326)	(63,191)
Total expenditure		4,600,479	1,025,033	5,625,512	5,638,530
Net income/(expenditure) before transfers		82,022	(181,925)	(99,903)	(363,407)
Transfer between funds	17	-	-	-	-
Net movement in funds	2	82,022	(181,925)	(99,903)	(363,407)
Funds at 1 February 2025		18,017,185	932,692	18,949,877	19,313,284
Funds at 31 January 2026	17	18,099,207	750,767	18,849,974	18,949,877

There have been no recognised gains or losses other than the results for the year shown above. All income and expenditure derive from continuing activities. The notes on pages 15 to 34 form part of these financial statements.

NEW LANARK TRUST

CONSOLIDATED BALANCE SHEET

As at 31 January 2026

	Note	£	2026 £	£	2025 £
Fixed assets					
Tangible fixed assets					
Heritage assets: Historic buildings	6		19,212,438		19,203,892
Other land and buildings	7		776,566		786,424
Other tangible fixed assets	8		127,309		136,838
Investments	9		100		-
			20,116,413		20,127,154
Current assets					
Stock for resale		61,469		93,711	
Debtors	10	151,555		355,004	
Cash and bank balances	11	112,212		178,745	
		325,236		627,460	
Current liabilities					
Amounts due within one year	12	(1,527,655)		(1,684,759)	
Net current liabilities			(1,202,419)		(1,057,299)
Creditors: amounts due after one year	13		(64,020)		(119,978)
Net assets	16		18,849,974		18,949,877
Funds					
Unrestricted non-designated funds	17		(1,525,094)		(1,608,029)
Unrestricted designated funds	17		19,624,301		19,625,214
Restricted funds	17		750,767		932,692
			18,849,974		18,949,877

These financial statements were approved by the Trustees on 27 October 2026 and signed on their behalf by:

Mr J Pow, Chairman
Trustee

NEW LANARK TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 January 2026

	Note	2026 £	2025 £
Net cash provided by operating activities (below)		(23,738)	12,401
Cash flows from investing activities:			
Interest received		-	394
Payments to acquire tangible fixed assets		(42,778)	-
Proceeds from sale of tangible fixed assets		83	7,160
Investment in subsidiaries		(100)	-
Net cash flows (used in)/provided by investing activities		(42,795)	7,554
(Decrease)/increase in cash during year		(66,533)	19,955
Cash and cash equivalents at 1 February 2025		178,745	158,790
Cash and cash equivalents at 31 January 2026	11	112,212	178,745

RECONCILIATION OF NET (EXPENDITURE)
TO NET CASH FLOW FROM OPERATING ACTIVITES

Net income/(expenditure) for the year	(99,903)	(363,407)
Adjustments for:		
Depreciation of fixed assets	45,587	57,353
Interest received	-	(394)
Decrease in stocks	32,242	114,257
(Increase)/Decrease in debtors	203,449	(159,776)
(Decrease)/increase in creditors	(213,062)	371,528
Loss/(gain) on disposal of assets	7,949	(7,160)
Write off of fixed asset costs	-	-
Net cash provided by operating activities	(23,738)	12,401

1. ACCOUNTING POLICIES

(a) Basis of preparation of the accounts

The accounts have been prepared under the historical cost convention and are in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Trust constitutes a public benefit entity as defined by FRS 102.

These financial statements consolidate the results of the charity and its subsidiaries on a line by line basis.

The functional and presentational currency of the financial statements is the Pound Sterling (£) and amounts are rounded to the nearest £.

Going concern

The group relies upon grant funding from outside sources in order to meet its day to day working capital requirements. The Trustees have prepared cash projections until the end of October 2027. The income projections are based upon past performances together with reasonable estimates of other income, whilst expenditure forecasts are based upon known fixed costs together with reasonable estimates of expected costs based on prior experience. These projections indicate that the charity should return to surplus position for the forthcoming year and will be able to operate within their available facilities.

The charity's and group's free reserves have been decreasing over the past years . The Trustees continue to review all costs of the organisation and ensure that these are kept to a minimum. They also continue to consider ways to increase the future funding of the charity both through improving income streams.

Cash projections have been prepared until the end of October 2027 on a prudent basis. The Trustees have no reason to believe that their principal income sources will be materially reduced, or that the existing cost base will increase significantly and have prepared the projections on this basis. Based upon these assumptions, they are of the opinion that the charity should again be in a position to ensure that all expenditure is covered by income receivable during the year.

The accounts have been prepared on the going concern basis. The Trustees are of the opinion that the charitable group can continue to meet its obligations as they fall due. The operating climate and cash flow financing continues to be challenging. Further detail on this is contained in note 21.

(b) Income

All income is included in the Statement of Financial Activities (SOFA), net of any VAT, when the charity has entitlement, probability or receipt and the amount can be quantified with reasonable accuracy. Income is only deferred where it must be spent in a future period, as specified by the funder. The following specific policies are applied to particular categories of income:

1. ACCOUNTING POLICIES (continued)

- Where entitlement is not conditional on the delivery of a specific performance by the charity, income from donations and grants is recognised when the charity becomes unconditionally entitled to the amount. Where related to performance and specific deliverables, income is accounted for as the charity earns the right to consideration by its performance.
- Gift aid from subsidiaries is recognised in the year in which the distribution is declared by the subsidiary.
- Investment income is included when earned.
- Rental income and income from recharged expenses is included in the SOFA in the year in which the service is provided.
- Income from other trading activities is recognised when goods and services are delivered.

(c) Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred, and is reported as part of the expenditure to which it relates:

- Expenditure on raising funds comprises the costs of generating donations and expenses recharged.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them, including governance costs.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, including audit fees and costs linked to strategic management.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource.

(d) Heritage assets

The Trust holds heritage assets in support of its primary objectives to restore and preserve the historic village of New Lanark and to increase the knowledge and understanding of the village and the industrial development of Scotland. Assets include historic buildings, machinery, paintings and historical artefacts and exhibits either donated to, or purchased by, the Trust.

The Trustees consider that owing to the diverse, unique and incomparable nature of the village and museum pieces, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Trust and users of the accounts. Where reliable costs are known, usually with more recent restorations or acquisitions, the asset is recognised on the balance sheet and stated at cost. Where assets have been donated, or a reliable cost is not readily available, no value is reported on the Trust's balance sheet.

The assets are not depreciated as they are deemed to have indefinite lives and the Trustees do not therefore consider it appropriate to charge depreciation.

The Trust has a policy of acquiring any assets which are relevant to its objects, where possible. Acquisitions are made by purchase or donation. Purchases are initially recorded at cost, however, donations are only valued where a comparable value can be obtained at a reasonable cost. Subject to the approval of the Trustees, the Trust may dispose of items, although this will only happen in exceptional circumstances, where, for example, the cost of maintaining the asset is excessive or it is unsuitable for public display.

1. ACCOUNTING POLICIES (continued)

Preservation costs
Expenditure which, in the Trustees' view, is required to preserve or prevent further deterioration of individual items, including preservation work to buildings and walls, is recognised in the statement of financial activities when it is incurred.

Further information on the heritage assets is given in Note 7.

(e) Non-heritage fixed assets and depreciation

Fixed assets are initially recorded at cost and only assets costing in excess of £2,500 are capitalised. Depreciation is provided on tangible fixed assets, other than heritage assets, land and housing, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life.

The rates are as follows:-

Assets under construction	-	nil
Buildings	-	1%
Plant and machinery	-	10%
Fixtures, fittings and equipment	-	10% - 25%
Motor vehicles	-	25%
Hotel fixtures, fittings and equipment	-	20% - 25%
Housing fixtures and fittings	-	10%

(f) Stocks

Stocks are stated at the lower of cost and net realisable value.

(g) Pensions

The Trust operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

(h) Restricted and unrestricted funds

Restricted funds represent funds subject to specific conditions which are imposed by the donor.

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Trust. In order to ensure that money is available for specific projects, certain funds are put aside and designated by the Trustees. Such designation carries no legal restriction.

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand. In the cash-flow statement, cash and cash equivalents are shown net of any bank overdrafts.

(j) Operating leases

The costs of operating leases, where the risks and rewards of ownerships remain with the lessor, are recognised in the Statement of Financial Activities on a straight line basis over the life of the lease.

1. ACCOUNTING POLICIES (continued)

(k) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, including loans to subsidiaries, since these are repayable on demand.

(l) Debtors

Debtors are recognised at the statement amount after any trade discount offered. Prepayments and other debtors are valued at the amount repaid net of any trade discounts due.

(m) Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

(n) Provisions

Provisions are recognised where the company has a present obligation as a result of a past event, it is probable the company will be required to settle the obligations, and a reliable estimate can be made of the obligations. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(o) Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In preparing the financial statements, trustees make estimates and assumptions which affect reporting results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. Critical judgements made in preparing these financial statements comprise; the timing of recognition of income in accordance with Charities SORP FRS102, the applicability of the estimated useful lives of fixed assets used to calculate the period over which depreciation is applied and review of fixed assets for impairment or obsolescence.

2. NET MOVEMENT IN FUNDS

This is stated after charging / (crediting):	2026 £	2025 £
Auditors' remuneration:		
audit services	31,300	24,061
non-audit services – accountancy	7,700	6,330
Depreciation	45,587	57,353
(Gain)/loss on disposal of assets	7,949	(7,160)
Operating lease rentals	37,576	29,087

No trustees (2025: no trustees) received (2025: £nil) expenses from the Trust in respect of travel to attend Trustees' meetings. The Trust paid Angus James Associates Limited, of which James Pow is a Director, £357 in the current year (2025: £1,317). The Trust paid £1,394 for the purchase of indemnity insurance to protect the charity from loss arising from the neglect or default of its Trustees, employees or other officers (2025: £1,276).

3. STAFF NUMBERS AND COSTS

The aggregate payroll costs for the year were:	2026 £	2025 £
Wages and salaries	2,008,015	2,147,170
Redundancy costs	-	37,913
Social security costs	202,174	156,817
Pension contributions to defined contribution schemes	45,576	51,457
Other staff costs	46,714	61,692
	2,302,479	2,455,049

The policy for redundancy follows the statutory redundancy provisions. Redundancies took place in the previous year due to the closure of Ice Cream and Wool production.

The number of employees earning more than £60,000 per annum can be analysed as follows:

	2026	2025
£60,000 - £69,999 (including employer pension contributions)	-	-
£70,000 - £79,999 (including employer pension contributions)	2	2
£80,000 - £89,999 (including employer pension contributions)	-	-
£90,000 - £99,999 (including employer pension contributions)	-	1
£100,000 - £109,999 (including employer pension contributions)	-	-
£110,000 - £119,999 (including employer pension contributions)	-	-
£120,000 - £129,999 (including employer pension contributions)	-	1

Key management personnel received total remuneration amounting to £551,637 (2025: £555,345) during the year, including employer pension contributions.

The number of persons employed by the charity full-time during the year, on a head count basis, was as follows:

		As at 31 January		Average for Year	
		2026 No.	2025 No.	2026 No.	2025 No.
New Lanark Trust:	Management	6	7	6	7
	Administration	1	2	1	2
	Maintenance	6	7	6	7
New Lanark Trading Limited:	Management	1	1	1	1
	Sales	3	4	4	2
	Catering	16	15	13	10
	General	13	17	10	11
	Hotel	52	59	55	41
	Leisure	5	7	6	4
		103	119	102	85

4. DONATIONS AND GRANTS RECEIVABLE

Body	Purpose	2026 £	2025 £
Revenue grants			
Historic Environment Scotland	Maintenance and Repairs	-	75,000
	Learning and Outreach Programme	-	20,000
	World Heritage Site volunteer co-ordinator	20,000	50,000
National Heritage Memorial Fund	Preservation of Properties	823,108	542,715
		843,108	687,715
Revenue donations			
Other donations	Unrestricted Funds*	5,734	9,125
		5,734	9,125

*Included above are unrestricted donations of £5,734 (2025: £9,125). All other grants and donations were restricted in both the current and previous years.

5. EXPENDITURE

	Basis of Allocation	Hotel £	Visitor Centre £	Occupied Property £	Village Preservation £	Education & Promotion £	Governance £	Social Housing £	2026 Total £	2025 Total £
Costs directly allocated to activities										
Purchases	Direct	390,788	265,408	-	-	-	-	-	656,196	813,578
Other direct operational costs	Direct	300,047	20,177	-	-	-	-	-	320,224	358,881
Wages and salaries (Note 3)	Staff time	1,211,885	459,339	-	153,165	-	-	-	1,824,389	1,969,218
Other staff costs (Note 3)	Direct	32,298	14,416	-	-	-	-	-	46,714	61,692
Premises costs	Direct	52,002	22,849	8,590	764,630	-	-	-	848,071	615,546
Marketing and promotion	Direct	33,730	70,771	-	-	-	-	-	104,501	28,678
Other office costs	Direct	60,595	10,153	-	-	-	-	-	70,748	92,696
Communications and travel	Direct	4,625	76	-	-	-	-	-	4,701	8,077
Bad debts	Direct	855	-	-	-	-	-	-	855	25,042
Professional fees	Direct	16,557	73,492	-	-	-	-	-	90,049	85,737
Auditor's remuneration	Direct	-	-	-	-	-	43,800	-	43,800	30,390
Bank charges	Direct	50,800	27,577	-	-	-	-	-	78,377	81,624
Support costs allocated to activities										
Wages and salaries (Note 3)	Staff time	102,451	124,021	21,569	102,452	80,883	-	-	431,376	424,139
Premises costs	Usage	262,810	150,880	-	156,770	18,836	-	75,339	664,635	770,027
Marketing and promotion	Usage	1,442	1,443	-	-	-	-	-	2,885	50,425
Other office costs	Usage	2,984	4,586	1,378	11,156	15,626	-	-	35,730	21,330
Communications and travel	Usage	802	1,605	-	2,923	2,698	-	-	8,028	6,999
Professional fees	Usage	71,005	71,005	-	213,013	-	-	-	355,023	239,359
Amortisation, depreciation and loss on disposal	Usage	16,827	31,469	5,240	-	-	-	-	53,536	50,193
Bad debts	Usage	-	-	-	-	-	-	-	-	(31,910)
		2,612,503	1,349,267	36,777	1,404,109	118,043	43,800	75,339	5,639,838	5,701,721

Included above are £1,002,533 (2025: £746,281) costs allocated to restricted funds.

6. HERITAGE ASSETS

The Village's Heritage

The village of New Lanark was founded in 1785 by David Dale as an industrial settlement spinning cotton until production ceased in 1968. Robert Owen made New Lanark famous as a model community and today the village, now a UNESCO World Heritage Site, is under the care of the Trust. The whole village is therefore classed as a heritage site. Assets include historic buildings, machinery, paintings and historical artefacts and exhibits, and are held as a working heritage centre preserving the historic village. The centre shows the development of the industrial settlement from 1785 to 1968, when the cotton spinning production ceased.

Preservation and management

The Trust seeks to revitalise the village by ensuring that all buildings are occupied and put to appropriate use. A rolling programme of major restoration, developed from the Buildings Conditions Survey, is followed, subject to sufficient external funding being available. Appendix I lists some of the planned activities.

New Lanark Trust has created a collections management policy to guide staff in the development and management of the Trust's collection, which encompasses material relating to the history of the site. All material held in 'the collection' is classed as a heritage asset. The general policy is not to dispose of heritage assets, however, trustees will occasionally approve the disposal of an exhibit where, for example, the cost of maintaining it is excessive or it is unsuitable for public display. The proceeds on disposal of items that are not recognised as fixed assets are reported in the statement of financial activities. Disposal proceeds are also separately disclosed in the notes to the accounts.

6. HERITAGE ASSETS (continued)

	Historic Buildings Institute/ Village Store/ R. Owen's House/ Millworkers' House £	Mill One £	Mill Two £	Mechanics Workshop £	Other Buildings £	Wee Row £	Townscape Heritage £	Steam Engine/ Turbines £	R. Owen's School £	Social Housing £	Total £
Cost											
At 31 January 2025	2,119,769	7,119,409	2,633,530	229,241	26,683	617,184	1,894,978	208,117	3,843,994	510,987	19,203,892
Additions	-	-	8,546	-	-	-	-	-	-	-	8,546
Disposals	-	-	-	-	-	-	-	-	-	-	-
At 31 January 2026	2,119,769	7,119,409	2,642,076	229,241	26,683	617,184	1,894,978	208,117	3,843,994	510,987	19,212,438
Net book value											
At 31 January 2026	2,119,769	7,119,409	2,642,076	229,241	26,683	617,184	1,894,978	208,117	3,843,994	510,987	19,212,438
At 31 January 2025	2,119,769	7,119,409	2,633,530	229,241	26,683	617,184	1,894,978	208,117	3,843,994	510,987	19,203,892

Heritage assets not recognised on the balance sheet

The Trust holds a number of historical artefacts which have not been recognised on the Balance Sheet as cost information is not readily available. The Trustees believe no comparable value exists for these assets and the benefits of obtaining valuations would not justify the cost. The vast majority of the items were acquired many years ago.

7. NON-HERITAGE ASSETS: LAND AND BUILDINGS

	Car Park and Road Improvements £	Total £
Cost		
At 31 January 2025	1,025,761	1,025,761
At 31 January 2026	1,025,761	1,025,761
Depreciation		
At 31 January 2025	239,337	239,337
Charge for Year	9,858	9,858
At 31 January 2026	249,195	249,195
Net book value		
At 31 January 2026	776,566	776,566
At 31 January 2025	786,424	786,424

Car Park and Road Improvements includes land at a cost of £40,000, which is not depreciated.

8. NON-HERITAGE ASSETS: OTHER TANGIBLE FIXED ASSETS

	Plant and machinery £	School and Visitor Centre fixture, fittings and equipment £	Other fixtures fittings and equipment £	Motor vehicles £	Hotel fixtures fittings and equipment £	Social housing fixtures and fittings £	Total £
Cost							
At 31 January 2025	1,153,007	1,379,639	244,439	259,562	1,345,017	96,674	4,478,338
Additions	-	-	-	-	34,232	-	34,232
Disposals	(80,356)	-	(51,052)	(13,795)	-	-	(145,203)
At 31 January 2026	1,072,651	1,379,639	193,387	245,767	1,379,249	96,674	4,367,367
Depreciation							
At 31 January 2025	(1,105,787)	(1,352,245)	(244,439)	(259,562)	(1,319,005)	(60,462)	(4,341,500)
Charge for year	(8,558)	(5,169)	-	-	(16,827)	(5,175)	(35,729)
On disposals	72,324	-	51,052	13,795	-	-	137,171
At 31 January 2026	(1,042,021)	(1,357,414)	(193,387)	(245,767)	(1,335,832)	(65,637)	(4,240,058)
Net book value							
At 31 January 2026	30,630	22,225	-	-	43,417	31,037	127,309
At 31 January 2025	47,220	27,394	-	-	26,012	36,212	136,838

Included in the total net book value above are assets with a net book value of £52,855 (2025: £74,614) that are used for direct charitable purposes. Assets with a net book value of £74,454 (2025: £62,224) are used for other purposes.

9. INVESTMENTS

Subsidiaries

The Trust received, by way of gift in prior years, title to the entire issued share capital of New Lanark Trading Limited, New Lanark Hotels Limited and New Lanark Ice Cream Limited. Details of these companies are as follows:

Subsidiary	Activity	Ordinary Shares	Country of Incor-poration
New Lanark Trading Limited	Operation of visitor centre, textile production, generation of hydroelectric power and production and sales of ice cream	100%	Scotland

New Lanark Trading recorded a deficit of £156,964 (2025: deficit £271,477) for the year ended 31 January 2026 and had capital and reserves in deficit of £1,762,578 (2025: deficit £1,605,884) at that date. The management of the hotel and waterhouses was taken on by New Lanark Trading Limited on 31 January 2024 when New Lanark Trading Limited acquired the trade and certain assets and liabilities of New Lanark Hotels Limited. A liquidator has been appointed on 12 April 2024 for winding up New Lanark Hotels Limited.

New Lanark Ice Cream ceased trading on 31 January 2016 and was dissolved on 9 April 2024.

New Lanark Trust is also the sole member of New Lanark Homes Limited, a company limited by guarantee. The company was incorporated in Scotland on 9 October 2008, commenced trading on 1 January 2009 and obtained charitable status on 3 August 2009. Its principal activity is the provision of housing and associated amenities within the New Lanark village; the charity manages the housing owned by the Trust, which is shown at note 7. The company recorded a profit of £nil (2025: profit £nil) for the year and had closing reserves of £182,483 (2025: £182,483) as at the year-end. On 1 May 2020, the activity of New Lanark Homes Limited transferred to the Trust with New Lanark Homes becoming dormant and the process for donating the closing reserves to the Trust is in progress at the date of the signing of these accounts.

Snow Newco Limited was incorporated on 10 April 2024, with New Lanark Trust holding title to the share capital. The company does not yet trade and has had no activity to date.

10. DEBTORS

	2026 £	2025 £
Trade debtors	40,055	53,140
Prepayments and accrued income	106,943	298,518
Other debtors	4,557	3,346
	151,555	355,004

11. CASH AND CASH EQUIVALENTS

	2026	2025
	£	£
Cash in hand	7,458	5,185
Bank: Immediate access	104,754	173,560
	112,212	178,745

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Loans (note 14)	34,334	282,400
Trade creditors	490,455	577,665
Taxation and social security	52,731	103,947
Accruals and deferred income	365,046	348,999
Bank overdraft	144,818	-
VAT	440,271	371,748
	1,527,655	1,684,759

Deferred Income

	2026	2025
	£	£
Balance at 31 January 2025	675	-
Released to Statement of Financial Activities	(675)	-
Amounts received and deferred during the year	5,823	(675)
Total	5,823	675

Deferred income represents leisure subscriptions received in advance.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2026	2025
	£	£
Loans (note 14)	-	34,334
Trade creditors	64,020	85,644
	64,020	119,978

14. LOANS

The following loans are included within creditors and are due for repayment as shown:-

	2026	2025
	£	£
Amounts repayable		
In one year or less	34,334	282,400
In more than one year but not more than two years	-	34,334
In more than two years but not more than five years	-	-
	34,334	316,734

15. OPERATING LEASE COMMITMENT

The following operating lease payments were committed to be paid as at the year end:

	Land and buildings	
	2026	2025
	£	£
Within one year	77,257	36,047
Between one and five years	227,756	59,347
	305,013	95,394

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	109	19,536,801	579,503	20,116,413
Net current liabilities	(1,461,183)	87,500	171,264	(1,202,419)
Long term liabilities	(64,020)	-	-	(64,020)
Net assets at 31 January 2026	(1,525,094)	19,624,301	750,767	18,849,974

	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	19,537,714	589,440	20,127,154
Net current liabilities	(1,488,051)	87,500	343,252	(1,057,299)
Long term liabilities	(119,978)	-	-	(119,978)
Net assets at 31 January 2025	(1,608,029)	19,625,214	932,692	18,949,877

17. CAPITAL AND RESERVES

	Balance at 1 February 2025 £	Income £	Expenditure £	Transfer between reserves £	Balance at 31 January 2026 £
Unrestricted non-designated funds					
General Fund	(2,209,701)	343,960	(1,350,935)	1,626,646	(1,590,030)
Capital Reserve	100	-	-	-	100
Reserves of Trading Subsidiaries	506,589	4,295,763	(3,205,853)	(1,626,646)	(30,147)
General Fund of Charitable Subsidiary	94,983	-	-	-	94,983
Total unrestricted non-designated funds	(1,608,029)	4,639,723	(4,556,788)	-	(1,525,094)
Unrestricted designated funds					
Heritage Assets	18,692,905	8,546	-	-	18,701,451
Land and Buildings	771,833	-	(9,704)	-	762,129
Other Tangible Fixed Assets	72,976	34,232	(33,987)	-	73,221
Repairs Reserve of Charitable Subsidiary	87,500	-	-	-	87,500
Total designated unrestricted funds	19,625,214	42,778	(43,691)	-	19,624,301
Restricted funds					
Heritage Assets: Housing	510,987	-	-	-	510,987
Land & Buildings – LEADER, Car Park	14,591	-	(154)	-	14,437
Other Tangible Fixed Assets:					
Housing Fixtures & Fittings	36,212	-	(5,175)	-	31,037
Visitor Centre Plant & Machinery	27,650	-	(4,608)	-	23,042
Maintenance and Repairs - HES	156,436	-	(149,488)	-	6,948
Maintenance and Repairs - NHMF	-	823,108	(823,108)	-	-
Turbine Refurbishment	186,816	-	-	-	186,816
Volunteer	-	20,000	(42,500)	-	(22,500)
Total restricted funds	932,692	843,108	(1,025,033)	-	750,767
Total funds	18,949,877	5,525,609	(5,625,512)	-	18,849,974

17. CAPITAL AND RESERVES

Balance at	1 February 2024 £	Income £	Expenditure £	Transfer between reserves £	Balance at 31 January 2025 £
Unrestricted non-designated funds					
General Fund	(914,674)	320,600	(1,615,827)	200	(2,209,701)
Capital Reserve	300	-	-	(200)	100
Reserves of Trading Subsidiaries	(531,148)	4,347,128	(3,309,391)	-	506,589
General Fund of Charitable Subsidiary	94,983	-	-	-	94,983
Total unrestricted non-designated funds	(1,350,539)	4,667,728	(4,925,218)	-	(1,608,029)
Unrestricted designated funds					
Heritage Assets	18,692,905	-	-	-	18,692,905
Land and Buildings	781,537	-	(9,704)	-	771,833
Other Tangible Fixed Assets	110,623	-	(37,647)	-	72,976
Repairs Reserve of Charitable Subsidiary	87,500	-	-	-	87,500
Total designated unrestricted funds	19,672,565	-	(47,351)	-	19,625,214
Restricted funds					
Heritage Assets: Housing	510,987	-	-	-	510,987
Land & Buildings – LEADER, Car Park	14,745	-	(154)	-	14,591
Other Tangible Fixed Assets:					
Housing Fixtures & Fittings	41,452	-	(5,240)	-	36,212
Visitor Centre Plant & Machinery	32,258	-	(4,608)	-	27,650
Maintenance and Repairs - HES	180,000	75,000	(98,564)	-	156,436
Maintenance and Repairs - NHMF	-	542,715	(542,715)	-	-
Turbine Expansion	186,816	-	-	-	186,816
Website	25,000	-	(25,000)	-	-
Volunteer	-	50,000	(50,000)	-	-
Education	-	20,000	(20,000)	-	-
Total restricted funds	991,258	687,715	(746,281)	-	932,692
Total funds	19,313,284	5,355,443	(5,718,850)	-	18,949,877

Unrestricted designated funds

The *Heritage Assets, Assets Under Construction, Land and Buildings* and *Other Tangible Fixed Assets* funds represent the net book value of unrestricted fixed assets, which are not available as working capital.

17. CAPITAL AND RESERVES (continued)

Restricted funds, Motor Vehicles, Land & Buildings

The *Heritage Assets* and *Other Tangible Fixed Assets* funds represent the net book value of social housing and fixtures and fitting therein. The purposes of other restricted funds are as follows:-

Maintenance & Repairs: Historic Environment Scotland and National Heritage Memorial Fund grant for conservation repairs and site maintenance.
Turbine Refurbishment: is a Scottish Government grant for repair/refurbishment of the hydro power turbine
Website: grant from South Lanarkshire Council for website construction
Volunteer: Historic Environment Scotland grant towards the World Heritage Site co-ordinator salary.
Education: Historic Environment Scotland grant towards the salary of the learning and outreach staff cost.

Transfers

The transfer from General Fund to Reserves of the Trading Subsidiaries represents unrestricted funds of the trading companies previously recorded through their General Fund.

18. CAPITAL GRANTS AND DONATIONS

	Heritage Assets	Land & Buildings	Other Assets	Total 2026	Total 2025
	£	£	£	£	£
At 1 February 2025	2,683,501	745,457	31,071	3,460,029	3,477,873
Amortisation	-	(9,809)	(4,608)	(14,417)	(17,844)
At 31 January 2026	2,683,501	735,648	26,463	3,445,612	3,460,029

19. CONTINGENT LIABILITY

The grants from the Heritage Lottery Fund and Historic Environment Scotland are repayable in the event that the restored properties are disposed of without proper funder permission within 15 years from commencement of the grant. The trustees have no intention of making any such disposal.

The trustees have indicated to the directors of New Lanark Trading Limited that they will continue to support the company for the foreseeable future, and a period of at least 12 months from the date of these accounts. Support will be provided to assist cashflow through intercompany loans. At the year end it cannot be reasonably estimated how much this support will be, therefore, no provision has been recognised in these accounts.

On 29 September 2025, New Lanark Trust provided a cross guarantee over its assets to Santander Bank plc in support of a banking facility granted to its wholly owned subsidiary, New Lanark Trading Ltd. The guarantee was issued to secure an overdraft facility of £150,000 made available to the subsidiary. On 7 September 2026 New Lanark Trading Limited signed a loan offer from Allica Bank for £2.7m for the hotel conversion work. The drawdown of this funding is anticipated to take place in the final quarter of 2026 and will remove the guarantee in place to Santander.

19. CONTINGENT LIABILITY (continued)

In September 2025 a Pre-Construction Services Agreement was signed with Copperwood Construction Services Limited. This allowed vital work to be carried out ahead of on-site work commencing in the hotel conversion. The total commitment under this agreement at the year end cannot be reliably measured as costs will be determined only upon the signing of the build contract. All sums paid to Copperwood Construction Services Limited under the Pre-Construction Services Agreement will be deducted from the total contract price.

20. RELATED PARTIES AND ULTIMATE CONTROLLING PARTY

During the year the Trust recharged expenses of £727,808 (2025: £352,096); received rent of £490,694 (2025: £305,800) and received gift aided profit of £nil (2025: £nil) from New Lanark Trading Limited. At the year-end £1,039,155 (2025: £1,098,841) was due to the Trust from the company.

During the year the New Lanark Homes Limited lent Trust £nil (2025: £182,483). At the year-end £182,483 (2025: £182,483) was due to New Lanark Homes Limited from the Trust.

At the year-end there is an outstanding balance due from New Lanark Trust to Snow NewCo of £100 (2025: £Nil).

The Trust paid Angus James Associates Limited, of which trustee James Pow is a Director, £357 in the current year (2025: £1,317).

No other transactions with related parties were undertaken in either the current or previous year such as are required to be disclosed under FRS102. No one individual had control over the Trust during either the current or previous year.

21. GOING CONCERN

As highlighted in note 1, the accounts have been prepared on a going concern basis.

The impact of the Covid pandemic on the general economy and tourism and hospitality industries has had a serious impact on the operational activities of the Trust and its subsidiaries. Management and the board have taken steps to mitigate the risks imposed by these trading conditions, specifically, the improvement in the quality of retail stocks, an improved internal process for identifying and securing grant funding, an improved leisure facility offering and a major project to convert hotel conference rooms into 18 new bedrooms.

Work to expand the hotel's room capacity is scheduled to commence in the final quarter of 2026. Building warrant and listed building consent have been granted and the hotel bedroom capacity will increase from 38 to 56. It is anticipated that this will have a positive impact not only on the hotel's performance but will also increase general footfall to the site and benefit the cafe, retail shop and visitor attraction.

Additionally, in October 2025 New Lanark Trading Limited secured an overdraft facility with Santander bank and this will help with general working capital and will give more flexibility to New Lanark Trading Ltd's finances. On 7 September 2026 New Lanark Trading Limited signed a loan offer from Allica Bank for £2.7m for the hotel conversion work. The drawdown of this funding is anticipated to take place in the final quarter of 2026 and will remove the guarantee in place to Santander.

21. GOING CONCERN (continued)

Projections and forecasts have been prepared that indicate liabilities can be met as they fall due and that the charity can continue to support its subsidiary undertaking, New Lanark Trading Limited. The trustees are satisfied that mitigation taken to date provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements. However given the challenging economy and the dependence on the bank and outside sources to provide grant funding outlined above, a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

22. CAPITAL COMMITMENTS

Prior to the year end, the Trust entered into a contract with JAM Architects for the hotel expansion project, with a committed value of £62,010.

23. POST BALANCE SHEET EVENTS

On 29 July 2026 New Lanark Trading entered into a Settlement Agreement with the liquidator of New Lanark Hotels Limited following a lengthy dispute. The settlement was met in full by the company's insurer at no cost to the company. This Settlement Agreement is a full and final settlement of any sums due in this dispute and there is no further liability to the company.

As at the date of the signing of these accounts the company has a loan offer from Allica Bank totalling £2.7m. The loan carries a fixed interest rate of 6.5% for a period of 60 months. The loan facility will be used for the increase in hotel capacity.

The loan is secured by a first standard security over certain buildings owned by the Trust.

Draw down of the loan is expected to be made in the final quarter of 2026.

24. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

As described in Note 9, the Trust owns the entire share capital of one active trading subsidiaries, New Lanark Trading Limited, which gift aid their taxable profits to the Trust and pay interest on loans from the Trust. New Lanark Trust is also the sole member of New Lanark Homes Limited, a charitable company limited by guarantee with no share capital. A summary of the results of each company and their overall contribution to the group is shown below. Audited financial statements for all companies are filed with the Registrar of Companies.

	New Lanark Trading Ltd £	Intra group eliminations £	2026 Total £	2025 Total £
Turnover/income	4,343,238	-	4,343,238	4,346,791
Cost of sales	(656,196)	-	(656,196)	(817,039)
Surplus	3,687,042	-	3,687,042	3,529,752
Administration costs	(3,844,006)	1,218,772	(2,625,234)	(2,492,352)
Interest receivable	-	-	-	336
Net (expenditure)/income from subsidiaries	(156,964)	1,218,772	1,061,808	1,037,736